

and all of the people watching so carefully that we were going to address this issue, even if, in the end, we couldn't come to an agreement. So I commend Senator MCCONNELL. He has taken a lot of criticism for the proposal he made, but I think he said from the beginning that it was the last effort so we wouldn't have a default by our country. It wasn't his first choice or his second choice or even his third choice, but leaders have to make tough decisions to ensure bad things don't happen, if they can avoid leading Members into bad situations. So he was trying to ensure that we wouldn't. I think Senator MCCONNELL's proposal has actually spurred people to get going and try to come to agreement.

I believe the group who is being called the Gang of 6 has come up with some very concrete proposals. It is the first plan I have seen that I believe really begins to cut spending, and it cuts spending immediately. It also has mechanisms that will ensure that the spending cuts happen. Caps are put in place.

There is a freeze in spending for 4 years. There is a freeze in all the elected representatives' pay. Every Member of Congress and the President would have a freeze in pay. There is a freeze in budgets.

I think it also begins entitlement reform, which is very bold, and it is very important that it be done in a bipartisan way. It would go to the chained CPI, which is a better base for determining what kinds of increases there should be for payments that have to be adjusted. So I believe they have taken a first major step. Now, I put out a Social Security reform proposal that also lowered the rate of increase of the COLAs. This one does it in a different way. All I wanted to do was to make sure we address that issue as part of Social Security reform, but it also affects many other areas, and I think it is something all of us, in a bipartisan way, can accept as a reasonable adjustment that will preserve the basic benefits that go across many areas.

Also in the proposal that was put out today is a safety net for people at 125 percent of poverty. They will be getting a benefit that increases more—and I think everyone would agree that is a good thing—and then the CPI adjustment will be in place for others.

I think it also has a very good proposal in the area of taxes because they want to lower the overall rates for everyone and make fewer rate groups, so the top rate would be 29 percent. They even cut the lower rate down to 9 percent.

So these are good proposals, and I think tax reform is something that will bring in more revenue, and it will bring in more revenue in the right way. It will bring in revenue by building the economy, by ensuring a more fair tax system so there will be less fraud and fewer numbers of people who don't pay taxes.

So I think this group has done a good thing—three Democrats and three Re-

publicans working together. Not one of us would have written a proposal exactly the same way, but there are 100 in this body, so we know we cannot dictate exactly what we want. I do believe this is a responsible approach that should give us a good start and something that, over a 10-year period, will put us in the position of bringing down our enormous debt, lowering our deficits, lowering our interest costs, and also beginning to reform entitlements.

There is going to be so much written and talked about—a lot of education. This plan will begin to go into legislative language, and there may be refinements of it. I am sure there will be amendments. But it is a great start, and it has provided great leadership. So many people have been involved in this process—our leaders, the group who has been meeting for months, others who have come together in a bipartisan way to do what is right for our country and for our children and grandchildren.

So I am very pleased we can start this debate and get these things out in a way that the American people will have the confidence we are going to address the debt, do the right thing, bring down the deficits, bring down the interest our country is paying, and, most of all, put people back to work by enlivening our economy.

That is the key. You can't have 9.1 percent unemployment in this country and believe that is a recovery. You can't do it. You have to put people back to work. That is the way you increase revenue, by putting people back to work and having the economy revived. That should be all of our goal, and I think that maybe, just maybe, we are on the right track and can do in a bipartisan way the entitlement reforms, the tax reforms, and the spending cuts that will put together a package that will put our country on a fiscally responsible path for the future.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

MORNING BUSINESS

Mr. JOHNSON of South Dakota. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Colorado.

BUDGET NEGOTIATIONS

Mr. BENNET. Mr. President, I wanted to talk a little bit about our debt ceiling and our deficit and debt issues as well.

I wish to thank the Senator from Texas for her words of encouragement for the product that the so-called Gang of 6 read out this morning. It was a remarkable hour. To see roughly 50 Senators, both Republicans and Democrats, set aside the talking points and

try to come across a partisan divide to hear their colleagues who have been working for such a long time on a plan, a bipartisan plan, three Democrats and three Republicans, to really try to address in a material way our debt and our deficit was, to say the least, refreshing. I wish it weren't as unique an experience as it has been, but in the 2½ years I have been here, I can't remember as thoughtful a conversation as the one we had this morning.

I have said for months, month after month, week after week on the floor of the Senate, that I think I am pretty clear about what Colorado wants, whether it is red parts of the State or whether it is blue parts of the State.

They want a plan that materially addresses the problem we face. They know we can't solve it overnight because the hole is so deep, but they want us to move past the rhetoric and the talking points and actually start materially addressing the problem.

They want to know that we are all in it together. It took all of us to get to this point of a \$1.5 trillion deficit and almost \$15 trillion of debt, and it is going to take all of us to get us out of it, and the people in Colorado know that.

They want the plan to be bipartisan because they don't have any confidence in either party's go-it-alone approach on this particular set of issues and I think on many other issues as well.

The only corollary that I have added to all of that is we need to do something that satisfies our capital markets that their paper is worth what we have paid for it and that the full faith and credit of the United States is good.

We face something momentous at this moment in our country. I wanted to quote just three brief quotes from the rating agencies recently.

This is S&P, July 14:

Today's CreditWatch placement signals our view that, owing to the dynamics of the political debate on the debt ceiling, there is at least a one-in-two likelihood, 50 percent chance, that we could lower the long-term rating on the United States within the next 90 days. We have also placed our short-term rating on the U.S. on CreditWatch negative, reflecting our view that the current situation presents such significant uncertainty to the U.S.'s creditworthiness.

It is important to realize this isn't just about the debt ceiling, although that is a very important piece of this.

Here is S&P continuing:

The CreditWatch action reflects our view of two separate but related issues. The first issue is the continuing failure to raise the U.S. government debt ceiling so as to ensure that the government will be able to continue to make scheduled payments. The second pertains to our current view of the likelihood that Congress and the administration will agree on a credible, medium-term fiscal consolidation plan.

Now, I have taken the view all along that we shouldn't make raising the debt ceiling contingent because it has been a ministerial act for most of our history; it is about debts that are already incurred, not about debts that